
FEBRUARY 1, 2005 PREFACE

WHAT YOU NEED TO KNOW ABOUT CONTRACTUAL PERSONAL SERVICES....

Two Executive Directives currently restrict the acquisition of personal services and commodities. Executive Directive 2004-8: Restrictions on Purchase of Non-Essential Supplies, Materials, Equipment, Printing, or Other Products and Executive Directive 2004-9: Restrictions on Creation of New Positions, Hiring of Employees and Acquisition of Contractual Services may be found at http://www.michigan.gov/gov/0,1607,7-168-21975_22515---,00.html

Requestors of goods or services are advised to plan additional time in the request process to allow for the processing and review necessitated by these directives. Acquisition Services Letter No. 119 details the timeframes and it can be found at: http://connect.michigan.gov/portal/site/dmb/index.jsp?epi-content=GENERIC&browse_folder=&mountpoint_id=9272fa2b82149ac0a412e80512b890a0&beanID=1689824408&viewID=user_browse

Keep in mind that all purchasing, regardless of the dollar limit, must be for essential purposes only.

WHAT YOU NEED TO KNOW ABOUT CONTRACTUAL PERSONAL SERVICES...

prepared by

**DEPARTMENT OF MANAGEMENT AND BUDGET
ORGANIZATIONAL SERVICES
FINANCIAL SERVICES**

2nd Edition

February 2005

WHAT YOU NEED TO KNOW ABOUT CONTRACTUAL PERSONAL SERVICES...

BEGINNING AND THINKING AHEAD.....	3
ACTIONS TO AVOID	4
THE CRITERIA.....	4
TWO EXCEPTIONS TO THE CIVIL SERVICE RULE	5
<i>Preauthorized Personal Services</i>	5
<i>NIGP Codes Outside Civil Service Jurisdiction</i>	5
STANDARDS FOR APPROVING REQUESTS.....	5
<i>Standard A.</i>	5
<i>Standard B.</i>	5
<i>Standard C.</i>	6
<i>Standard D.</i>	6
THE FORMS	8
THE AUTHORIZATION PROCESS	9
ACCUMULATION OF CONTRACT AMOUNTS IN EXCESS OF \$5,000	10
PERSONAL SERVICES EXCEEDING \$25,000	10
THE PROCUREMENT PROCESS	10
METHODS OF PURCHASE.....	10
CONTRACT LANGUAGE	11
SOME TYPICAL QUESTIONS ABOUT PROCUREMENT	12
MANAGING THE CONTRACT.....	14
GETTING VENDORS PAID	14
INDEPENDENT CONTRACTOR	14
SPECIAL PERSONAL SERVICES EMPLOYEE	15
REPORTING	15
HELP IS AVAILABLE.....	16
REFERENCE:.....	16
<i>Current Civil Service Commission Rules, Regulations and Memoranda:</i>	16
<i>Available from DMB Financial Services:</i>	16

WHAT YOU NEED TO KNOW ABOUT CONTRACTUAL PERSONAL SERVICES...

CONTRACTING. Contracting is defined as an agreement between two or more parties, usually written and enforceable by law.

Exactly what is meant by “contractual personal services”? Basically, it is contracting for the performance of a service when it is not practical or feasible to establish a classified position within the Civil Service to perform the service.

The Department of Civil Service has the authority to approve a request for contracted personal services based on its established standards. The request originates from within the Department of Management and Budget (DMB) through Organizational Services (OS).

The DMB process for obtaining contractual personal services contains these elements:

- authorization
- procurement
- management and monitoring
- payment
- reporting.

The contracting procedure from initiation to disbursements has multiple steps. You are directly in control of some of these steps but dependent on various departments for others. Management of all aspects of a contract is the responsibility of the program area.

THIS BOOKLET WILL TELL YOU HOW TO NAVIGATE THOSE STEPS AND WHAT YOU NEED TO KNOW ABOUT...

Beginning and Thinking Ahead

The Criteria

The Forms

The Authorization Process

The Procurement Process

Managing the Contract

Getting Vendors Paid

Reporting

Beginning and thinking ahead...

The keystones for any contracting action are the business services and associated annual budget that supports the activities of your area. As you develop your business plan and budget, think ahead. What resources will be required to successfully accomplish projects and programs? Services might require special equipment, or provision of services through a contract might result in a cost saving to the State. Especially where services are temporary or uncommon, contractual personal services will likely be needed.

Another way of considering personal services is to ask whether you need to buy an object, an object accompanied by a person, or a person to perform some task for you. For example, do you need a slab of marble, a slab of marble with a person to install it as part of a floor, or a specialist in marble restoration to instruct staff in a half-day workshop on how to restore and care for marble floors? The latter two would most likely require contractual personal services.

Before starting to obtain these services, here are some questions to consider:

- What are the specific work requirements?
- Are dollars allocated in my budget?
- Are there alternatives I can use with existing personnel?
- Do any contracts already exist for this service?
- How will I justify going outside the classified service?
- Am I initiating the process far enough in advance to acquire the services on time?
- Is the request an amendment of an existing contract?

As you spend more effort initially to develop accurate and complete information, the likelihood increases that your request will be approved and processed more quickly. Doing it right the first time minimizes problems later.

For guidance, talk with your supervisor, Organizational Services, Financial Services, or others in the approval chain.

Actions to Avoid

Some actions that may at first seem like shortcuts to get the services in place may end up more like roadblocks in the long run.

ACTION:	Obtaining services without going through the entire process in order to get the job done.
PROBLEM:	<ul style="list-style-type: none">• Acquisition Services will not backdate a purchase order to authorize services already provided.• Civil Service will approve contractual services requests effective <i>no earlier</i> than the approval date.
RESULT:	Payments to the contractor may not be processed.

ACTION:	Using a procurement credit card to pay for contractual personal services instead of going through the authorization process.
PROBLEM:	Paying for contractual personal services with a credit card is not allowed under procurement card guidelines; and the detail on the credit card invoice will reveal this charge.
RESULT:	Credit Card may be cancelled.

The Criteria

Within state government, all positions must be established in the classified service except where specifically excepted or exempted by the Michigan Department of Civil Service Classification Regulation No. 7.01, which addresses Disbursements for Personal Services. In this context, “contractor” means an independent contractor or special personal services (SPS) employee who enters into a contract with a state agency to provide personal services. “Disbursements for personal services outside the classified services” means disbursement of appropriated funds by a state agency for the personal services of a person who is not a classified employee of the state.

The request for contractual services is initiated by submitting the 2117 Screen in ADPICS to Organizational Services. The approval for these personal service contracts is granted by Civil Service and designated through a CS-138 approval number.

Goods and services are assigned and identified a universal commodity and service codes adopted by the National Institute of Governmental Purchasing, Inc. (NIGP). Each personal service requested must have an NIGP code assigned. Screen 1100 in ADPICS lists these services.

Two Exceptions to the Civil Service Rule

Two exceptions for contractual personal services that do not require Civil Service approval exist.

Preauthorized Personal Services

Preauthorized personal services are those which have previously been determined by Civil Service as not constituting positions in the classified service. Civil Service has given appointing authorities permission to enter into contracts and make disbursement for these specific personal services without receiving prior approval on a CS-138.

A list of statewide preauthorized services can also be found on the Civil Service web site at http://www.michigan.gov/mdcs/0,1607,7-147-6879_9331-28365--,00.html

NIGP Codes Outside Civil Service Jurisdiction

Certain other services do not meet the definition of a contract for personal services within the jurisdiction of Civil Service. These tend to be more closely related to commodities or consumer services. Examples include alarm services, newspaper subscriptions, highway and road construction, and medical services delivery systems. A listing of NIGP Codes Outside Civil Service Jurisdiction is published and available from the Civil Service web site at http://www.michigan.gov/mdcs/0,1607,7-147-6879_9331-64352--,00.html.

The accuracy of the NIGP code is critical. If you are unsure what category the service falls under, contact the Procurement staff (Denice Ballard at 373-7567, Mary Brocklebank at 335-1562, or Natalie Spaniolo at 373-3696).

Standards for Approving Requests

Civil Service may approve a request for use of contractual services only if it determines that the personal services meet one or more of four standards. The standards as stated in the Civil Service Classification Rules along with the accompanying guidelines published in Regulation 7.01 are listed below:

Standard A.

The personal services are temporary, intermittent, or irregular. Standard A would apply when the services are not consistently used or are not needed for over 832 hours, or are used on an “as required” basis.

Standard B.

The personal services are (1) so specialized, technical, peculiar, or unique in character that they are not recognized as normal to the classified service or (2) the appointing authority is unable to recruit enough qualified candidates willing to accept a classified position. Standard B would also apply if the services required an outside entity such as an independent auditor.

Standard C.

The personal services involve (1) the use of equipment, materials, or facilities not reasonably available to the agency at the time and place required and (2) the estimated cost to the agency in procuring such equipment or materials and establishing the needed positions would be disproportionate to the contract cost. If it is determined that the costs of the goods exceeds the costs of associated personal services, the Department of Civil Service lacks jurisdiction over the request and shall so specify in its technical decision.

Standard D.

The personal services would be obtained at substantial savings over the life of the contract when compared with having the same personal services performed by the classified work force. The personal services do not meet this standard if, despite the savings over the life of the contract, substantial savings would not likely be realized over the long term.

Savings are "substantial" if the average annual savings over the proposed period of disbursements are equal to or greater than the minimum required savings computed using the table below:

Average Annual Contract Cost		Minimum Required Average Annual Savings Must Equal
from:	to:	
\$1	\$25,000	25% of average annual cost
25,001	50,000	20% of average annual cost (minimum \$6,250)
50,001	100,000	15% of average annual cost (minimum \$10,000)
100,001	200,000	12.5% of average annual cost (minimum \$15,000)
200,001	500,000	10% of average annual cost (minimum \$25,000)
500,001	1,000,000	minimum \$50,000
1,000,001	and above	5% of average annual cost

(1)Guideline D-1: Wage and Benefits Standards. The state personnel director shall periodically develop and publish on the Department of Civil Service web site and in written form the Civil Service *Guide for Calculating Standard Cost Savings* found at http://www.michigan.gov/mdcs/1,1607,7-147-6879_9331_9429-18784--_00.html. The guide shall provide standardized formulas and other electronic processes to assist in identifying and documenting costs associated with contracting for personal services in comparison to costs of utilizing the classified service.

The State personnel director shall also publish standardized rates that establish minimum thresholds to be applied in the preparation of a Standard D cost analysis. The information may include, but is not limited to, salary and wages, fringe benefits, group insurance, inflation, indirect costs, unemployment insurance, workers' compensation insurance, retirement, FICA costs, contract monitoring costs, and the like.

(2) Guideline D-2: Content of Cost Savings Submission. Appointing authorities must adhere to the methods and guidelines provided in the *Civil Service Guide for Calculating Standard Cost Savings* when submitting requests under Standard D.

Definition, Standards, and Guidelines for Hiring SPS Employees

The term contractor means an individual or organization that enters into a contract for personal services. There are two types of contracts:

- 1) Independent Contractor means an individual contractor or an employee of a contractor who provides personal services and who is not an employee of the State of Michigan.
- 2) Special Personal Services employee means a contractor who is an employee of a state agency and who is not a classified employee, an exempt employee, or an excepted employee.

An SPS employee may only be hired if the personal services meet either Standard A or Standard B in Rule 7-3. An agency may not hire an SPS employee under Standard C or Standard D.

(1) SPS Guideline 1: Cost Savings and SPS Employees. Cost savings may be considered in evaluating submissions under both Standard A and Standard B. However, the cost savings tests under Standard C and Standard D are not applicable to SPS employees. Therefore, Civil Service will not approve the hiring of an SPS employee *solely* on the basis that it is less expensive to hire an SPS employee than a classified employee.

(2) SPS Guideline 2: Hiring Freeze and SPS Employees. The governor and appointing authorities occasionally impose hiring freezes, budget limitations, head count limitations, and other restrictions on hiring classified employees as mechanisms to control costs. Since cost savings alone are insufficient justification for hiring SPS employees, Civil Service will not approve the hiring of an SPS employee *solely* for the reason that there is a hiring freeze, budget limitation, head count limitation, or other management-imposed limitation on hiring classified employees. In such cases, independent contractors may be used if the contract meets one or more of the standards in Rule 7-3.

Disbursements to Independent Contractors

Disbursements for personal services to an independent contractor may be made only subsequent to the Civil Service staff determination that the agency's request meets one or more of the four standards in rule 7-3.



NOW THAT YOU KNOW THE GUIDELINES, WHAT DO YOU NEED TO DO FIRST?

- ◇ Evaluate whether you need to consult with the Acquisition Services. Especially for a large or a new project, it may be beneficial to discuss your needs with that staff prior to initiating the process. They may be able to provide helpful guidance in defining your needs, vendor selection, and cost estimates.
- ◇ Create and save an on-line requisition in ADPICS for the contracted personal services. Later, you will add the CS-138 approval number and post this requisition to Acquisition Services after you have been notified of an approval to contract for services. If you need assistance with the ADPICS entry please contact Procurement in Financial Services.

THE FORMS

Contractual Services Request

Create and post a CS-138 request in ADPICS via the 2117 screen which will then electronically route to those in the approval path. If you are unfamiliar with using this section of ADPICS, contact the Procurement staff. You may also wish to review the self-study guide on MAIN's web site at

<http://mainweb.state.mi.us/clientsupportservices/training/courses/cs138.pdf>.

Electronic Requisition

Create and save a requisition form in the PCHL 2100 screen for the new personal services contract in ADPICS.

Post the requisition once you receive the CS-138 approval number and add it to the PCHL 2110 Requisition Detail Entry in the CS-138 ID field.

If the contract for personal services will be treated as a blanket purchase order, the requisition **interface type** must be changed from "RQ" to "NP". This change will alert the system to treat this contract as a blanket purchase order with expenses drawn against it through a contract release as opposed to encumbering the entire amount of the contract.

If this request is being made for an amendment to an existing contract (BPO), a new requisition form is **not** created. Instead, submit to Acquisition Services a written request for a contract change notice.

The Authorization Process

Once you submit the electronic CS-138 to Organizational Services, it is logged in to track its progress through the approval process. Each Contractual Services Request must be assigned a CS-138 approval number. The total process requires input and/or review by Human Resources and Organizational Services, Financial Services, and the Department of Civil Service. In addition, the CS-138 may elicit a protest from the affected union or other interested parties leading to review by a technical appeal officer. Its path through the approval process alone may take a couple of weeks. The approval process includes union notification to any union interested in the service. Each union has a certain amount of time from when they are notified to how long they have to lodge an inquiry into why their service is being outsourced.

	Person or Area Approving	Action
A	Procurement Services, Financial Services	Review for appropriate use of commodity code. The originating program may be contacted for additional information.
B	Human Resources	<p>The form is reviewed for completeness and may be returned for additional information.</p> <p>The appropriate union receives notification of each request. The union may protest the request.</p> <p><i>Note:</i> In the situation where Civil Service gives approval and the union then protests, the originating manager will receive notification and <i>must postpone any hiring or contracting</i> until the protest is resolved.</p>
C	Director, Organizational Services	Reviews and approves.
D	Civil Service	<p>Civil Service may approve the request, request additional information, or deny it. They approve or disapprove the request within 14 calendar days after receipt of all information necessary to complete the review.</p> <p>Amendments are often acted upon within a few days. Larger contracts will take longer.</p>
E	Human Resources	<p><u>Civil Service Request for More Information:</u> The Labor Relations Officer will research and provide additional information.</p> <p><u>Union Protest:</u> The Labor Relations Officer prepares a response, and a technical appeal process is followed.</p>

	Person or Area Approving	Action
	<i>If the request is for a special personal services employee,</i>	The CS-138 approval number is forwarded to the Human Resources transaction unit for appropriate processing.
H	Originating Program Area	After approval, the process continues along established lines.

Organization Services may be contacted at (517) 335-1572

Financial Services, Procurement may be contacted at (517) 373-3696

Accumulation of Contract Amounts in Excess of \$5,000

Contractual personal services under \$5,000 are preauthorized and do not require Civil Service review. However, if annual accumulation for a particular service exceeds \$5,000 for the department, Civil Service's approval will be required.

For example, a service costs \$2,000 each time it is utilized. The \$2,000 cost is preauthorized. However, if the same service is utilized three times during the year for a total cost of \$6,000, then approval from Civil Service is required.

The Procurement Process -- Acquisition Services

Once the Acquisition Services receives the requisition with an approved CS-138 number, the purchasing process is initiated. Internal procedures are followed to locate an appropriate vendor to perform the service. A purchase order number is assigned to the request.

Acquisition Services or Procurement Services can provide you with assistance on the proper procurement method to follow.

Personal Services Exceeding \$25,000

The State Administrative Board reviews all requests for services when the total value exceeds \$25,000. Acquisition Services will automatically forward such requests.

In addition, an award over a certain dollar amount prompts the Michigan Department of Civil Rights to review and affirm that the prospective vendor has not been found to discriminate in its employment practices. Failure to cooperate or to provide information may disqualify a bidder.

If applicable, these extra steps may increase the processing time.

Methods of Purchase

Purchases for commodities under \$2,500 may be paid for using the purchasing card, which is a MasterCard credit card. Services are not allowed to be paid via the purchasing card. Services under \$2,500 can be paid via direct voucher.

For purchases between \$2,500 to \$25,000, Acquisition Services has delegated the approval for these purchases to the departments. Financial Services is responsible for this activity. The program area plays a significant role in the process. In most cases, a written quote for the good or service must be obtained and submitted to Financial Services. The quote must be dated and signed by the vendor.

Larger purchases above \$25,000 require the submission of a requisition to Acquisition Services that will contract for the good or service through a formal bid process. Bid documents are prepared, vendors are contacted, bids are reviewed against criteria, and contracts are awarded.

A brief discussion of contract meanings is in order since they are referenced in the methods used in purchasing. Acquisition Services establishes a purchase order (PO) or a blanket purchase order (BPO) when it awards a contract.

A PO usually only affects one department, is often for a specific project, and funds are immediately encumbered as a liability to be paid.

A BPO often affects multiple departments and may be for many services or products. It is a broad authorization to contract. A requisition to access and release the funds must be made. Agencies access the contract via a contract requisition, which then causes the funds to be encumbered. For instance, the Haworth chair contract is set up for a large total but we only have an encumbrance and an order once a requisition is entered, approved, and a purchase order is sent to the vendor.

To determine if a commodity or service is already available on a state contract, go to MAIN's web site at <http://mainweb.state.mi.us/technology/midb/bpo1.htm>. You will have three options by which to search and obtain a list of state contracts on BPOs:

1. Keyword in Commodity Description/BPO Title
2. NIGP Commodity Class/Item Code.
3. Sort Order (by BPO Number, BPO Description, or Vendor Name)

Depending upon the initial approvals, releases made against a BPO may require Civil Service approval. Releases against a BPO are not subject to further Administrative Board approval.

Contract Language

Acquisition Services will generally develop the contract, using a standard DMB contract format, based on the work statement and the vendor's response. It includes boilerplate language supplemented by the particulars of the contract such as statement of purpose, statement of work, contractor name and address, contracting officer, and special financial and reporting requirements. This precaution provides some protection against poor contract language and the omission of critical points in case of disputes.

A contract compliance officer (formerly known as the contract administrator) is identified who understands and is responsible for the day-to-day operations and management of the contract to the agreed upon terms and conditions.

Some Typical Questions about Procurement

How long will it take?

Plan ahead. In general, allow at least several weeks for the bid and contracting process to be completed.

If the amount is under \$25,000 the process may be completed by Financial Services within 3 working days providing all applicable approvals and vendor quotes have been obtained.

Acquisition Services processes all request over \$25,000 that are not currently on a contract. Their time frame goals for new requests are:

Less than \$100,000	90 days
Between \$100,000 and \$1,000,000	120 days
Greater than \$1,000,000	150 days

Acquisition Services time frame goals for amendments to current contracts are:

Less than \$100,000	45 days
Greater than \$100,000	60 days

What if the bids are higher than my estimate?

Acquisition Services may issue an invitation to bid and receive bids that are above the anticipated and approved contract amount. If the bid exceeds the anticipated contract amount by less than 10%, Acquisition Services will process the bid. If the bid exceeds the anticipated contract amount by greater than 10%, Acquisition Services will notify the agency for further direction. You would need to examine issues such as whether you are willing to pay that much and have funds in your budget, whether you need to revise the work statement, and whether the timeline on a project will have to be adjusted.

If the amount exceeds prior CS-138 approval limits, an Advice of Change to the CS-138 needs to be completed. The CS-138 goes through the process again. All contracts must have approval from all parties before they can be finalized.

What if the contract start date is delayed after it has been approved? Do I need to do anything?

Maybe. The dates of the contract must be within the date frame approved on the CS-138. If the start of the project begins after the beginning date of the contract, no further action is needed.

However, if the delay will cause the project to extend beyond the originally approved ending date, an Advice of Change to the CS-138 needs to be submitted.

What if I mistakenly use the wrong NIGP code in describing the service?

Use of the exact NIGP code is critical. Once it is recorded and submitted on the form, it cannot be changed. To correct this circumstance, an Advice of Change to the CS-138 must be submitted.

If you have any concerns about the NIGP code, consult with Procurement within Financial Services.

What if my needs change after the contract is signed, and I want to expand the scope?

Your contract may be represented on MAIN as either a purchase order or a blanket purchase order.

To expand the scope in either case, you must first submit an Advice of Change. Once CS-138 approval is obtained, proceed as follows:

If a purchase order was issued for your contract, you must contact Procurement and request that an electronic Advice of Change be created. The request must be detailed, and hard copy documentation must be forwarded to Procurement in Financial Services for their approval. The electronic revised Purchase Order will route through an existing approval path to Acquisition Services for their authorization and posting.

If a blanket purchase order was issued, send an e-mail to DMB-ACQ-Point detailing what changes you desire and explain why they are necessary. Forward a copy of the CS-138 approval, a quote or proposal from the contractor with detailed specifications and/or a statement of new deliverables, and any other relevant documentation. Once the Contract Change Notice is issued by Acquisition Services, you would need to do a new release or issue an Advice of Change to the existing release document.

If a contractor complies with an agency's request to alter a contract or purchase order without formal authorization from Acquisition Services, the contractor may not be entitled to payment for the modified performance. In addition, the person who gave authorization without having the authority may be held personally liable.

ONLY ACQUISITION SERVICES has authority to modify a contract that they have executed. The requesting agency has no authority to approve contract changes. Only Acquisition Services may change contract terms, specifications, conditions, or prices. Neither an agency contract administrator nor persons in the user agency can alter the contract terms, specifications, conditions, or prices of Acquisition Services executed contracts.

Managing the Contract

Successful completion of a contract requires that it be managed appropriately during delivery of the contracted personal services. Some contracts may be as simple as hiring a craftsperson for a one-day job. Others may be projects stretching over months or even years. Especially on long-term contracts, routine and open communication between you and the vendor is essential for a productive relationship. Effective supervision will increase the probability that the service expectations are being fulfilled in a responsible fashion.

Contract Administration duties include:

- Maintain a Contract File. Contract Compliance Inspectors should have a copy of the contract, correspondences related to the contract, and payment history. If payment history is not available, Financial Services/Procurement can provide a payment summary on request.
- Ensure that payments are made in compliance with the contract. Inspectors must ensure that the vendor delivers what is stated in the contract and the payments are consistent with what is outlined in the contract.
- Ensure that there are adequate funds in the contract to cover the needs of the contract. If the contract is for a service, Inspector ensures that the Civil Service approval (CS-138) does not expire or run short of funds.
- Communicates any changes through Acquisition Services. Only Acquisition Services has the authority to negotiate changes to a contract.
- Requests any changes needed to the contract through Acquisition Services. Changes could include: additional job duties, change in scope of the work, or extension requests.
- Communicates any problems with the vendor to Financial Services/Procurement. It is critical to document any vendor issues in ADPICS.

Getting Vendors Paid

Independent Contractor

Receipt of an invoice from an independent contractor for services performed should trigger the following course:

1. Review the invoice. Were the services performed as billed? Was the quality satisfactory? Does it cover the correct time period? Is it accurate?

2. Attach it to a Contract Payment Authorization form or similar form used by your division. You must indicate whether it is an interim or final payment and certify that the work has been performed consistent with the provisions of the contract. The signature of the contract compliance officer verifying that the service has been performed is required to pay the final bill. You must be able to demonstrate the work was done as agreed upon.
3. Forward the invoice and authorization form to Accounts Payable. In general, a check will be processed within three days.

Public Act 279 of 1984 requires state departments to pay for goods and services within 45 days.

Special Personal Services Employee

If the contractor is paid through the payroll system, Human Resources will need to meet with that individual to have the necessary tax withholding and other forms completed. The contractor will need to provide both a driver's license and social security card or a passport.

Hours worked must be entered directly into the DCDS system for each biweekly payroll period.

Reporting

All information on personal services contracting is public. Current state legislation specifically requires reporting, as in the following examples:

Sec. 216. (1) The Department of Management and Budget ... shall provide to the senate and house of representatives standing committees on appropriation and the senate and house fiscal agencies a monthly report of all personal service contracts awarded without competitive bidding, pricing, or rate-setting. The notification shall include all of the following:

- (a) The total dollar amount of the contract.*
- (b) The duration of the contract.*
- (c) The name of the vendor.*
- (d) The type of service to be provided.*

Sec. 216. (2) For personal service contracts of \$100,000 or more, the Department of Management and Budget shall provide a monthly report including all of the following:

- (a) The total dollar amount of the contract.*
- (b) The duration of the contract.*
- (c) The name of the vendor*
- (d) The type of service to be provided.*

Sec. 216. (3) The Department of Management shall provide a monthly listing of all bid requests or requests for proposal that were issued.

Sec. 216. (4) Each principal executive department and agency shall provide a monthly summary listing of information that identifies any authorization for

personal service contracts that are provided to the Department of Civil Service pursuant to delegated authority granted to each principal delegated department and agency related to personal service contracts.

MAIN (Michigan Administrative Information Network) links the approval to the contract in the purchasing system with the contract accounting in the accounting system. Automated information systems provide management with timely reporting, linking related business activity and providing an electronic tracking log.

The legislature receives an annual report on CS-138 approvals with the amount spent versus the amount authorized. To keep Management and Budget from being out of compliance in the rules that govern the purchase of services, it is critical that information is provided accurately and timely.

HELP IS AVAILABLE

Do ask for help if you need assistance. Pick up the phone and call the Labor Relations Officer in Organizational Services, Jonathan Meyer at (517) 335-1572. Procurement within Financial Services, Natalie Spaniolo at (517) 373-3696, Denice Ballard at (517) 373-7567, or Mary Brocklebank at (517) 335-1562. They will be able to provide guidance and assist you with the process. Be patient. Be persistent. Good luck!

REFERENCE:

Current Civil Service Commission Rules and Regulations:

1. Civil Service Rule 7-1 ("Disbursement for Personal Services Outside the Classified Service," effective October 1, 2001). Click on http://www.michigan.gov/documents/RulesChapter7_37367_7.pdf#pagemode=bookmarks.
2. Civil Service Regulation 7.01 ("Disbursement for Personal Services outside the Classified Service," effective October 11, 2001). Click on http://www.michigan.gov/mdcs/1,1607,7-147-6877_8154-20200--,00.html.

Appeals of staff decisions under Rule 4-6 shall be processed as technical appeals as provided in "Grievances, Technical Complaints, and Appeals"

http://www.michigan.gov/documents/RulesChapter8_37369_7.pdf#pagemode=bookmarksRule%202-20B and Regulation 8.03 ("Technical Appeal Process")
http://www.michigan.gov/mdcs/1,1607,7-147-6877_9788-20246--,00.html

Available from DMB Financial Services:

1. DMB Agency Object Codes http://www.michigan.gov/dmb/0,1607,7-150-9147_10862---,00.html
2. DMB – Demystifying the DMB Procurement Process
http://www.michigan.gov/documents/manual_86208_7.doc